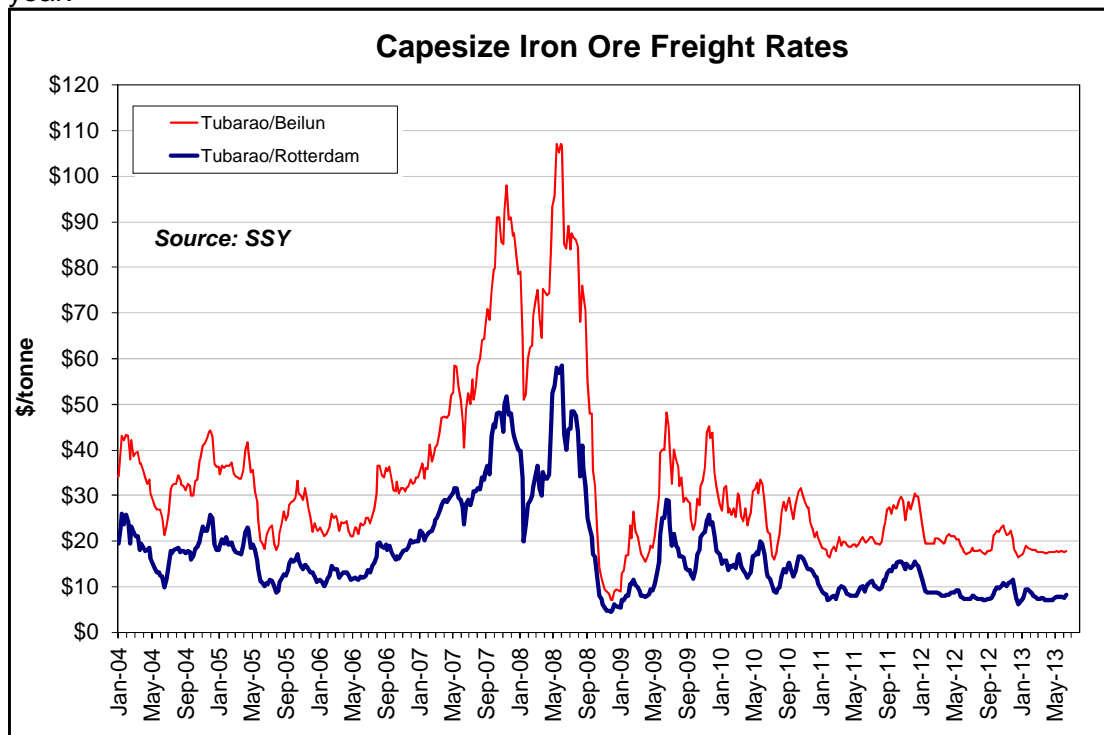


## CAPE SIZE/PANAMAX MARKET UPDATE (17 June 2013)

Last week saw a marked improvement in the Capesize market, which helped lift the Baltic Exchange Dry Index above 900 points for the first time since March. Average charter rates for Capesize vessels rose by \$2,705/day or 49% to \$8,276/day in the space of a week, reaching their highest level since late January.

Rates increased in both basins, but the most dramatic rise was in transatlantic earnings, which were up by \$3,470/day or 82% week-on-week to a 4-month high of \$7,720/day. A firmer Capesize market in the Atlantic implies more iron ore activity from Brazil, spot voyage rates from Tubarao to Rotterdam rose by \$0.70/t to a 4-month high of \$8.30/t, while the route from Tubarao to Qingdao was up by \$0.35/t to its highest level since February, at \$17.85/t.

Panamax average earnings also made gains over the last week, rising \$901/day or 15% to almost \$7,000/day. This, in turn, raised coal voyage rates from Bolivar to Rotterdam rose by 0.35/t week-on-week to a 4-week high of \$12.90/t. Meanwhile, demand in the Atlantic continues to be supported by a record Latin American grain season. Increased long-haul grain shipments have benefitted Panamax fronthaul (from Atlantic to Pacific) activity, and there is the prospect of continued growth in these trades with the US Department of Agriculture anticipating a 10 Mt annual rise in Chinese soyabean imports to 69.0 Mt in the October 2013 to September 2014 trade year.



### SSY Consultancy & Research

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